

Regional Transportation Plan

Transportation Finance

Baseline Forecast

Workshop – October 11, 2007

SCAG's Financial Forecast

- SAFETEA-LU requires the RTP to develop financial projections in nominal dollars, meaning SCAG had to make assumptions related to different inflation rates
- SCAG's projections assume:
 - 3.8% inflation rate for O&M costs (based on the GDP deflator)
 - 5.3% inflation rate for capital costs (based on 30-year average construction rate index)
- As a result, SCAG's forecast is more conservative than the counties

SCAG's Financial Forecast

- Using the inflation assumptions, SCAG forecasts a **\$22B deficit** for the region through 2030 based on the projects submitted by the counties

SCAG's Financial Forecast

- Anticipating these potential shortfalls, SCAG's RTP has a 2035 horizon year
- Through 2035, SCAG estimates a **\$13B surplus** for the region
- However, several counties (Imperial, Orange, Riverside, and Ventura) still show deficits; LA is showing a surplus

SCAG's Financial Forecast

- Moving forward, we must either subtract projects from the county submittals, or identify “reasonable” new funding sources
- Funding will also be needed for the freight strategies (Sep 20 and Oct 3 workshops), corridors (Oct 4 workshop), and high speed rail transport and transit (Oct 18 workshop)

Finance Matrix Discussions